



Blinken Wants \$2 Billion to Rival China's Belt-and-Road Initiative

On Wednesday, U.S. Secretary of State Antony Blinken urged the Senate to authorize \$2 billion in spending for infrastructure projects globally, but seemed to be rebuffed by Jim Risch, a prominent Republican senator from Idaho who expressed skepticism about where such money could be found.

In wake of a Republican-led drive to reduce government expenditure in order to alleviate the federal budget deficit, Risch's questions about the feasibility of Blinken's suggestion indicated the latest obstacle in longstanding U.S. government attempts to set up a rival to communist China's \$1-trillion Belt and Road Initiative (BRI).



AP Images Antony Blinken

Blinken explained that the State Department was requesting \$400 million in mandatory spending "to counter specific actions by China" in the Indo-Pacific and \$2 billion for "high-quality infrastructure projects to more effectively compete with the work that China does."

He added the funding was necessary to help private American businesses provide a competitive alternative to Beijing's lavish spending on infrastructure, pointing out opportunities for the United States, especially among debt-ridden countries that have lashed out at Beijing's BRI.

"We've seen something of a backlash against this in country after country, where it turns out that taking this money is not necessarily leaving countries in the best place," he said. "It's been a double-edged sword for a lot of people. Nonetheless, the resources are significant."

Blinken made his testimony in a speech to the Senate Foreign Relations Committee to justify the State Department's portion of Joe Biden's administration's 2023 proposed budget.

Notably, Blinken admitted that the State Department's request for \$2 billion for infrastructure was dwarfed by the massive loans and grants China supplied to countries under the BRI.

Nonetheless, Blinken claimed that many countries would prefer American-built projects to China-made ones. Moreover, he elaborated that the proposed spending was only meant to reinforce larger investments by the American private sector.

"We need to be able not, of course, to match them dollar for dollar, which we'll never do," Blinken said of the Chinese government, "but [we need] to be more effective in catalyzing private sector investment, and doing it in a more coordinated way with allies and partners."

Also, Blinken pointed out that China's authoritarian system enabled the regime to "mobilize all of the resources of the state" to invest around the world "in loss-leader projects, because it's strategically important to them." That was not an option for the American government, he acknowledged.



Written by **Angeline Tan** on March 26, 2023



"Our comparative advantage is finding ways to catalyze — more effectively — private-sector investment," Blinken said. "We need to be able to do that by putting some of our own money down."

The Center for Global Development has estimated that the BRI, a state-led program promoted by the communist regime in China to build infrastructure around the world, but which has tied many participating countries down in infrastructure debts, could eventually cost Beijing some \$8 trillion by the time it is completed.

Nevertheless, senators on the foreign relations committee, led by Risch, said that while they agreed with the principle of Blinken's suggestion, they doubted whether the \$2 billion would be approved once federal budget negotiations end between the House and the Senate.

"Fair enough," Risch said. "Although I think you would agree with me that the \$2 billion in mandatory [spending] is going to be tough to do. It's probably going to be a heavy lift for the appropriators."

"We're going to have, you know, some top-line budget challenges," Blinken replied, "depending on how these funds are apportioned."

"That's an understatement," Risch said.

In addition, Risch also asked why the State Department budget proposal only included \$16 million in aid to Taiwan, which he said was too low.

"I was deeply disappointed when I saw what was proposed," Risch said. "The \$16 million doesn't even pay the carfare over there."

Previously, Republican Senator Lindsey Graham of South Carolina, the party's ranking member on the appropriations committee, had voiced doubts about the government's budget for Taiwan. Graham asked Blinken why the Biden administration was not taking lessons from the Ukraine conflict and arming Taiwan more to prepare for a possible Chinese military incursion.

Joining Graham in questioning the Biden administration was Republican senator Bill Haggerty from Tennessee, who questioned the \$19 billion backlog in arms sales to Taiwan amid military threats from Beijing.

"We had an opportunity for deterrence with Ukraine. We didn't take it," Haggerty said to Blinken. "We have the opportunity here."

Blinken replied that Taiwan was not in need of aid, claiming that Taipei had in fact purchased about \$10 billion in arms from the United States since 2019, and recently ramped up its own defense budget by 11 percent.

"When it comes to Taiwan, what we've been focused on is foreign military sales," Blinken told the foreign relations committee in the afternoon. "It has significant means to acquire this technology."

"One of the challenges we have has little to do with our budgets or our authorities," Blinken added, alluding to limitations on America's capacity to manufacture arms. "The long pole in the tent in providing equipment to Taiwan to defend itself is the production capacity here, and this is something of course that we're working on."

While it may seem that Blinken is trying to steer the United States along a rival course vis-à-vis communist China, it is no secret by now that ties between China and the Biden family have been under the spotlight and examined by House Republicans as well as conservative news outlets. The Bidens allegedly received millions of dollars in payments in dubious China-linked business deals.



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Representative Elise Stefanik (R-N.Y.), chair of the Republican Conference, demanded accountability and transparency from the Democrat president and his family, saying that their links to China "reek of corruption."

Besides his questionable business links with China, Biden also made other China-related headlines, this time in a speech to the Canadian parliament on Friday.

In an awkward gaffe when the aging Democrat tried to laud Canada for its collaboration in an agreement with the United States, he praised "China" instead, before correcting himself. According to a transcript of Biden's speech by the White House, he said:

"In the United States, we're expanding legal pathways for migration to seek safety in humanitarian — on a humanitarian basis, while discouraging unlawful migration that feeds exploitation and human trafficking. So, today I applaud China for stepping up — or, excuse me — I applaud Canada — (laughter) — I'm — you can tell what I'm thinking — (laughter) — about China. I won't get into that yet."





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